



**STATE OF CONNECTICUT**  
**OFFICE OF POLICY AND MANAGEMENT**

Date: August 11, 2015  
To: Agency Heads  
From: Benjamin Barnes, Secretary  
Re: FY 2017 – Midterm Budget Adjustments

Both Governor Malloy and I want to sincerely thank you for your hard work and dedication during the 2015 legislative session. Together, we have been able to accomplish many important initiatives despite the fiscal challenges that exist. While implementing the adopted budget for FY 2016 will present considerable operational challenges for all of us, we must also focus our attention on potential adjustments to the second year of the budget biennium, FY 2017.

As you know, the state's economic recovery has slowly been gathering momentum, with sustained improvement expected over the next couple of years. However, we must continue to search for ways to reduce expenditures by bringing even greater efficiencies to our agencies and prioritizing programs and services to ensure support for those that provide the most effective and efficient use of state resources, while at the same time delivering the highest quality services possible to the citizens of this state.

With respect to the budget for FY 2017, you should therefore consider two types of budgetary adjustments: technical adjustments and policy options. Technical adjustments should be submitted if legislation passed during this last session would require a change in resources that is unrecognized by the enacted budget for FY 2017, for revised estimates of court-ordered or entitlement spending, for realignment of funding between accounts, and similar technical (non-policy) changes to the enacted budget.

On the policy side, the Governor expects agencies to continue to put forth their best ideas for streamlining operations, prioritizing programs and reducing unnecessary expenditures. You are strongly encouraged to draw on the creativity and experience of the state's front-line staff in developing concepts for improving government effectiveness and efficiency. As always, options requiring legislative action are acceptable; agencies should be prepared to identify relevant statutory changes that would support reduction proposals.

In order for this office to provide Governor Malloy with a full array of options to deal with any contingencies and to ensure the continued financial stability of the state, you are expected to submit realistic and achievable reduction options totaling at least five percent of your agency's adopted FY 2017 appropriations. You should explore opportunities to eliminate, scale back, or achieve significant efficiencies across all budgeted areas. Selected agencies will also be asked to participate in a more intensive and interactive process for developing policy options over the fall and winter; these agencies will be contacted directly regarding discussion topics and meeting schedules.

As part of your reduction option analysis, agencies should focus on opportunities to streamline government, flatten organizations, and improve the most critical public services. I strongly encourage you to be creative as you consider alternative service delivery models, updates to your practices and procedures, cross-agency collaborations, and other new ways to do business. The Governor has demanded that we all drive change and improvement in our agencies, and the budget process is a great opportunity to advance efforts in this area. In addition, you should again give thought to any potential mergers and program consolidations that might merit consideration. If you identify potential savings that may be applicable to other state agencies, I ask that you contact me, Deputy Secretary Susan Weisselberg, or Executive Budget Officer Paul Potamianos, so that the appropriate budget analyst can follow up as necessary.

We expect that agencies will not request any new funding for FY 2017 for expansions beyond what was contained in the biennial budget. If you have identified new needs that must be met, it is expected that you will propose reallocating funds within your budgeted resources to meet those needs. We will notify you directly if the Governor determines that he would like to receive a formal proposal to expand services in any policy areas that affect your agency.

You will be receiving more detailed instructions along with the dates for each submission as separate communications from my office. Once again, the Governor and I thank you for your support and look forward to working with you to ensure that the citizens of the state continue to receive necessary services at the best possible cost.

xc: Governor Malloy  
Lieutenant Governor Wyman  
Agency Fiscal Officers  
Alan Calandro, Office of Fiscal Analysis